

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

YANTIC POST OFFICE
YANTIC, CONNECTICUT 06389

Docket No. A2015-1

UNITED STATES POSTAL SERVICE
RESPONSE TO THE PUBLIC REPRESENTATIVE'S REPLY COMMENTS
(May 21, 2015)

On February 24, 2015, the Postal Regulatory Commission (Commission) received an appeal dated February 17, 2015, from postal customer Deberey Hinchey, Mayor of Norwich, Connecticut (Petitioner), objecting to the discontinuance of the Post Office at Yantic, Connecticut.¹ On March 16, 2015, the Commission issued Order No. 2392, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d).² In accordance with Order No. 2392, the Administrative Record was filed with the Commission on March 23, 2015.³ On April 15, 2015, Petitioner filed a letter in support of her appeal.⁴ On April 16, 2015, Petitioner filed a

¹ Appeal on Closing Received from Mayor Deberey Hinchey and State Representative Kevin Ryan (Petition), PRC Docket No. A2015-1 (March 13, 2015).

² Notice and Order Accepting Appeal and Establishing Procedural Schedule, PRC Docket No. A2015-1 (March 16, 2015).

³ United States Postal Service Notice of Filing Administrative Record, PRC Docket No. A2015-1 (March 23, 2015).

⁴ Letter and Participant Statement Received from Mayor Deberey Hinchey Regarding the Yantic, CT Post Office (Participant Statement), PRC Docket No. A2015-1 (April 15, 2015). Petitioner's April 15, 2015 filing suggests that the Public Representative had determined her position regarding this docket far earlier than the filing date for her reply comments. Participant Statement at 1. Had the Public Representative disclosed her position regarding this matter by April 16, 2015, when the Initial Comments were due, the Postal Service could have responded to the issues raised by the Public Representative in its Answer. The Public Representative's stated purpose for presenting her position in this docket after the deadline for filing all pleadings - the desire for an opportunity to review the positions of all other parties - does not justify the timing of her initial filing in this docket. Even if the Public Representative disclosed her position in initial comments, she would have the opportunity to address the positions of other parties in her reply comments. This approach would have alleviated the need for these additional pleadings, and avoided the resulting reduction in the time available for the Commission to consider the parties' arguments before expiration of the 120 day decisional period.

supplement to her April 15, 2015 letter.⁵ The Public Representative did not file an Initial Brief. On April 30, 2015, the Postal Service filed comments in which it addressed issues raised by Petitioner in her April 15 and 16 letters.⁶

On May 12, 2015, the Public Representative filed Reply Comments, in which she concludes that the Postal Service did not comply with all of the requirements of section 404(d) when it issued the Final Determination to discontinue the Yantic Post Office.⁷ In her Reply Comments, the Public Representative recommends that the Commission remand the Final Determination to discontinue the Yantic Post Office on three grounds: (1) an alleged predetermination of the decision to discontinue the retail facility, (2) an alleged failure to solicit and consider community input during the discontinuance study, and (3) an alleged failure to justify the economic savings expected to result from discontinuance of the Yantic Post Office.

On May 15, 2015, the Postal Service filed a motion for leave to respond to the Public Representative's Reply Comments.⁸ In its motion, the Postal Service argues that the Public Representative's Reply Comments raise new issues and that, absent an opportunity to respond, the Postal Service would be prejudiced. On May 18, 2015, the Commission issued Order No. 2488, in which it granted the Postal Service's motion.⁹

⁵ Supplemental Info of the Yantic Post Office (Supplement), PRC Docket No. A2015-1 (April 16, 2015).

⁶ United States Postal Service Comments Regarding Appeal (Answer), PRC Docket No. A2015-1, (April 30, 2015).

⁷ Reply Comments of the Public Representative (Reply Comments), PRC Docket No. A2015-1 (May 12, 2015). While her Reply Comments are dated May 11, 2015, the Public Representative filed the pleading on May 12, 2015, along with a Motion for Late Acceptance. Motion of the Public Representative for Late Acceptance, PRC Docket No. A2015-1 (May 12, 2015).

⁸ United States Postal Service, Motion for Leave to File a Reply, PRC Docket No. A2015-1 (May 15, 2015).

⁹ Order Granting Motion for Leave to File a Reply, Order No. 2488, PRC Docket No. A2015-1 (May 18, 2015). On May 19, U.S. Representative Joe Courtney and Petitioner filed a letter before the Commission. Letter Received from Joe Courtney, U.S. Representative, CT-02, and Debercy Hinchey, Mayor, City of

The Postal Service incorporates the detailed analysis of the Final Determination to discontinue the Yantic Post Office that it provided in its Answer, and the discussion contained therein which outlines how the Postal Service satisfied the requirements of section 404(d). The Postal Service will limit this response to the issues raised by the Public Representative in her Reply Comments.

1. The Postal Service did not Predetermine the Final Determination to Discontinue the Yantic Post Office.

On page 3 of her Reply Comments, the Public Representative argues that the Postal Service predetermined its decision to discontinue the Yantic Post Office as early as February 7, 2012, when retail operations were placed under an emergency suspension. However, as established in the regulations applicable to the retail facility discontinuance process, an emergency suspension is a “permissible circumstance[]” upon which a discontinuance study may be based. 39 C.F.R. § 241.3 (a)(5)(B). Thus, the simple fact that the Postal Service decided to discontinue the Yantic Post Office after suspending its retail operations does not support the argument that the Postal Service’s decision was predetermined.

To the extent that the Public Representative challenges local management’s decision to initiate a discontinuance study rather than take corrective action and resume operations, the decision to initiate a discontinuance study for a suspended facility falls outside the scope of a Post Office Closing appeal. Nevertheless, the Administrative Record supports the decision of local management.

First, the United States Postal Inspection Service conducted a safety *and* security inspection shortly following the initial decision to suspend operations. The Public Representative incorrectly states that the inspection resulted in “only three safety issues.” Reply Comments at 3. To the contrary, the Postal Inspection Service reported three *security* issues *and* a “number of safety issues that should also be addressed.” Item No. 5 at 1A.

Second, because the Yantic Post Office operated in a leased facility, the Postal Service has no authority to remedy security and safety issues without the cooperation of the landlord. And as the Administrative Record clearly indicates, during the time period relevant to the discontinuance study, the facility’s ownership was not in a position to cooperate in resolving the safety and security issues, because ownership of the building was being litigated in probate court. Item No. 2E at 4. Thus, the Postal Service lacked a landlord to address these issues.

Additionally, the Postal Service’s regulations require several levels of review and approval before a proposal or a Final Determination is posted at a retail facility. For example, 39 C.F.R. § 241.3(e)(2)(ii) requires the District Manager to transmit a copy of the proposal and the record to Headquarters for review. Then, Headquarters reviews the proposal. 39 C.F.R. §241.3(f)(1). This review must be based on the record. *Id.* Headquarters may approve the proposal, in which case the proposal becomes the Final Determination, or Headquarters may return the proposal to the District Manager for further action. These multiple levels of review prevent local management from predetermining the outcome of the discontinuance study.

2. The Postal Service Solicited and Considered Community Input in Conformance with Applicable Statutory and Regulatory Requirements.

In her Reply Comments, the Public Representative argues that the Postal Service failed to solicit and consider community input when issuing its Final Determination to discontinue the Yantic Post Office. Reply Comments at 4 and 5. First, she concludes that the Postal Service failed to solicit community input because it did not hold a second community meeting or distribute a second round of customer questionnaires when it revised its proposal to reflect a change in the Administrative Post Office. *Id.* at 5. In its initial proposal, the Postal Service identified Bozrah Post Office as the Administrative Post Office. Item No. 23 at 3 and 7. However, in the revised proposal, the Postal Service identified the Norwich Post Office as the Administrative Post Office. Item No. 17 at 3. This change was due to the fact that Bozrah Post Office was assessed to be a Level 6 Remotely Managed Post Office (RMPO) under the Post Office Structure Plan (POStPlan). Item No. 14B at 2. As a RMPO, Bozrah Post Office cannot be an Administrative Post Office. Therefore, as local management implemented POStPlan at Bozrah Post Office, it became necessary for the Postal Service to identify a different Post Office as the Administrative Post Office.

This change did not necessitate a second community meeting or customer questionnaire in the context of the study to discontinue the Yantic Post Office. As part of POStPlan implementation at Bozrah Post Office, the Postal Service hosted a community meeting and distributed customer questionnaires to affected customers. Through POStPlan's community outreach mechanisms, affected customers were informed of potential changes and had an opportunity to participate in meaningful community input. Moreover, the change in the Administrative Post Office did not affect

the availability of retail services to postal customers because Bozrah Post Office became a Level 6 RMPO as initially planned and Norwich Post Office maintains the same retail hours.

Second, the Public Representative argues that the Postal Service failed to consider customer comments. Reply Comments at 5. Specifically, the Public Representative alleges that the Postal Service provides only “generalized, stock responses to its customers concerns.” *Id.* at 5. However, this criticism is not supported by the Administrative Record. First, the Public Representative fails to acknowledge that after consideration of customer concerns voiced at the community meeting and in response to the questionnaires, the Postal Service changed the planned replacement service from service by nearby Post Office to service by city and rural route carriers. Before receiving customer comments at the community meeting and in questionnaire responses, replacement service was offered at nearby Bozrah Post Office and Post Office Box customers were required to pick up their mail at Bozrah Post Office. Item No. 2 at 1 and 3.¹⁰ At the community meeting and in their questionnaire responses, many customers voiced concerns regarding the absence of delivery service at their physical address, the additional time and costs associated with traveling to Bozrah Post Office, and the limited hours at Bozrah Post Office. Final Determination at 2-7; Item No. 20 at 1. In response to these concerns, the Postal Service changed its planned replacement service and offered delivery service to those customers who were not previously eligible. *Id.* Therefore, rather than disregard customer concerns, the Postal

¹⁰ Compare the “Alternate Service Provided” in the Notice of Post Office Emergency Suspension dated February 7, 2012 (Mail can be picked up at the Bozrah Post Office) with the “Alternate Service Provided” in the Notice of Post Office Emergency Suspension dated April 10, 2013 (There will be three types of delivery which will be afforded to the Yantic Post Office Box customers. . .).

Service amended the planned replacement service after consideration of customer concerns voiced during the community input process.

Second, the Public Representative fails to acknowledge that the majority of the customer comments addressed similar issues related to the lack of delivery service to physical addresses, the additional time and costs associated with traveling to Bozrah Post Office, and the retail hours at Bozrah Post Office.¹¹ Although the Postal Service cited Item No. 20, a “Dear Postal Customer” letter, dated November 26, 2012, in response to many of the customer comments submitted during the community input process, the November 26, 2012 letter is not a generalized response. The Postal Service drafted this letter to specifically address the concerns most frequently expressed by customers at the community meeting or in the customer questionnaire responses. Item No 20 at 1. It informed customers that delivery to an addressee’s physical address would be available to customers who did not previously receive such delivery, and explained the process by which customers could request delivery service. *Id.* In addition, the letter informed customers that the retail hours at Bozrah Post Office would be extended temporarily to match the retail hours at the suspended Yantic Post Office. *Id.* Finally, the letter assured customers that Yantic would retain the community name. *Id.*

In the Final Determination, the Postal Service lists 44 customer concerns. Final Determination at 2-7. The Postal Service references the November 26, 2012 customer letter in response to 31 of these concerns. The vast majority of these 31 concerns

¹¹ In the Final Determination, the Postal Service lists 44 customer concerns, 38 of which relate to the hours at Bozrah Post Office or the availability of delivery service to a customer’s physical address. Final Determination (Item No. 35) at 2-7.

relate to the availability of delivery service to customer's physical address, the additional time and cost associated with traveling to Bozrah Post Office to pick up mail, and the limited hours at Bozrah Post Office. The November 26, 2012 letter responds to these concerns. There are three instances where customers voiced concerns related to potential address changes and the associated costs of address changes.¹² In instances where the November 26, 2012 letter does not squarely address these concerns, the Postal Service response to Customer Concern No. 42 responds to a comment related to address changes. Final Determination at 7.

3. The Final Determination Provides Sufficient Replacement Service.

In her Reply Comments, the Public Representative also contends that the Postal Service initially solicited businesses to apply to become a Village Post Office (VPO). Reply Comments at 4. The Public Representative then posits that the decision of the Postal Service to solicit businesses “suggests that the Postal Service recognized that the loss of the Yantic Post Office would leave a gap in postal services in the community.” *Id.* However, as discussed above, after soliciting and considering community input, the Postal Service reconsidered the mode of replacement service to be provided to Yantic customers. Initially, the Postal Service planned to provide replacement service by nearby Post Office. Yantic customers, many of whom were Group E Post Office Box customers, were initially instructed to pick up their mail at the nearby Bozrah Post Office. However, in response to the concerns expressed by customers at the community meeting and in their questionnaires, the Postal Service decided to provide replacement service by extending delivery service from city or rural

¹² Final Determination, Customer Concerns No. 22, 23, and 30.

route carriers. Item No. 20 at 1. Thus, Yantic customers, many who previously were not offered delivery service to their physical address, are now eligible to receive delivery service. While the Public Representative portrays the Postal Service decision to decline the VPO option as creating a “gap” in service, the Postal Service decision to extend delivery service filled any “gap.”

4. The Postal Service’s Costs Savings Estimates are Justified.

In her Reply Comments, the Public Representative states that the majority of the Postal Service’s estimated ten-year costs savings are attributable to the salary and related benefits of the former Yantic Postmaster. Reply Comments at 6. The Public Representative argues that if the Postal Service is paying the former Yantic Postmaster “a salary from the budget of another facility, [then] it is erroneous to consider it as savings from the closure of the Yantic Post Office.” *Id.* She continues and argues that unless the Postal Service is able to provide a justification for categorizing the Postmaster salary and related benefits as “bona fide savings,” the Postal Service’s estimated costs savings should be reduced by the amount of such salary and benefits. *Id.* at 6 and 7.

The Commission has previously considered the issue of how to include salary and benefits of transferred employees in the Postal Service’s estimated costs savings analysis. In Docket No. A2013-2, the petitioner and public representative, like the Public Representative here, argued that since the affected employee of the discontinued retail facility was transferred to another facility and will continue to be employed by the Postal Service after implementation of the Final Determination, such salary and benefits should not be included in its estimated costs savings. Order

Affirming Determination, Order No. 1674, PRC Docket No. A2013-2, Evansdale, IA (March 7, 2013) at 10. In Docket No. A2013-2, like here, the Postal Service transferred the affected employee to a *vacant* position. The Postal Service explained that it could include the salary and benefits in its estimated costs savings because the postal employee transferred to a vacant position, a situation that has the same effect as the separation of an employee and the hiring of that same employee to fill the vacant position. In its order affirming the Final Determination to discontinue the Evansdale Branch, the Commission concluded that the Postal Service's approach and inclusion of the employee salary and benefits were reasonable. *Id.* at 10.

The Postal Service applied the same reasoning here as it did in Evansdale. Here, upon implementation of the Final Determination, the Yantic Postmaster will be transferred to a vacant position.¹³ Thus, like in Evansdale, the Postal Service may reasonably include the affected employee's salary and benefits in its costs savings estimate. Accordingly, the Postal Service's estimated costs savings are justifiable.

Conclusion

As outlined in its Answer and in this response, the Postal Service complied with section 404(d) and applicable regulations when it decided to discontinue the Yantic Post Office and offer replacement service by city and rural route service. Accordingly, the Postal Service respectfully requests that the Commission affirm the Postal Service's determination to discontinue the Yantic Post Office.

¹³ See Final Determination (Item No. 35) at 8 ("The Postal Service estimates a ten year savings of \$757,855 assuming filling vacant management and craft positions at the median salary range.") The savings estimate is based on the assumption vacant positions will be filled and the Postmaster will be assigned to a vacant position once the Postal Service implements the Final Determination.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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